

REYNOLDS & FRANKE, P.C.
6850 AUSTIN CENTER BLVD., SUITE 100
AUSTIN, TX 78731
(512) 206-3141

OCTOBER 17, 2022

SONTERRA WEST HOMEOWNERS ASSN INC.
3939 BEE CAVES RD BLDG. C 100
AUSTIN, TX 78746

*Sent by
E-Mail*

DEAR ANDY:

WE HAVE PREPARED AND ENCLOSED YOUR 2021 CORPORATION INCOME TAX RETURNS FOR THE YEAR ENDED DECEMBER 31, 2021. THE RETURNS SHOULD BE SIGNED AND DATED BY THE APPROPRIATE CORPORATE OFFICER(S) AND MAILED.

THE FEDERAL FORM 1120-H SHOULD BE MAILED ON OR BEFORE OCTOBER 17, 2022 TO:

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
OGDEN, UT 84201-0012

NO PAYMENT IS REQUIRED WITH THIS RETURN WHEN FILED.

THE TEXAS FORM 05-163 AND 05-102 SHOULD BE MAILED ON OR BEFORE NOVEMBER 15, 2022 TO:

TEXAS COMPTROLLER OF PUBLIC ACCTS
P.O. BOX 149348
AUSTIN, TX 78714-9348

NO PAYMENT IS REQUIRED WITH THIS RETURN WHEN FILED.

PLEASE, DO NOT STAPLE ANY PART OF THE RETURN TOGETHER.

THE APPROPRIATE CORPORATE OFFICER(S) SHOULD SIGN AND DATE THE 05-102 - PUBLIC INFORMATION REPORT AND MAIL IT WITH THE RETURN.

WE PREPARED THE RETURNS FROM INFORMATION YOU FURNISHED US WITHOUT VERIFICATION. UPON EXAMINATION OF THE RETURNS BY TAXING AUTHORITIES, REQUESTS MAY BE MADE FOR UNDERLYING DATA. WE THEREFORE RECOMMEND THAT YOU PRESERVE ALL RECORDS WHICH YOU MAY BE CALLED UPON TO PRODUCE IN CONNECTION WITH SUCH AN EXAMINATION.

WE HAVE ENCLOSED MAILING ENVELOPES FOR YOUR CONVENIENCE IN

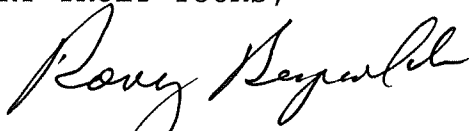
FILING THE RETURNS.

WE RECOMMEND THAT YOU SEND THE RETURNS TO THE TAXING AUTHORITIES BY CERTIFIED MAIL WITH A REQUEST FOR A RETURN RECEIPT. PLEASE RETAIN THE RECEIPT AS A PROOF OF TIMELY FILING.

WE SINCERELY APPRECIATE THE OPPORTUNITY TO SERVE YOU. PLEASE CONTACT US IF YOU HAVE ANY QUESTIONS CONCERNING THE TAX RETURNS.

COPIES OF THE RETURNS ARE ENCLOSED FOR YOUR FILES. WE SUGGEST THAT YOU RETAIN THESE COPIES INDEFINITELY.

VERY TRULY YOURS,

A handwritten signature in cursive script, appearing to read "Ronald H. Reynolds".

RONALD H REYNOLDS

U.S. Income Tax Return for Homeowners Associations

2021

Go to www.irs.gov/Form1120H for instructions and the latest information.

For calendar year 2021 or tax year beginning _____, and ending _____

TYPE OR PRINT	Name SONTERRA WEST HOMEOWNERS ASSN INC.	Employer identification number 27-1064456
	Number, street, and room or suite no. If a P.O. box, see instructions. 3939 BEE CAVES RD BLDG. C 100	Date association formed 03/24/2006
	City or town, state or province, country, and ZIP or foreign postal code AUSTIN, TX 78746	

Check if: (1) Final return (2) Name change (3) Address change (4) Amended return

A Check type of homeowners association: Condominium management association Residential real estate association Timeshare association

B Total exempt function income. Must meet 60% gross income test	SEE STATEMENT 1	B	855,488.
C Total expenditures made for purposes described in 90% expenditure test	SEE STATEMENT 2	C	534,057.
D Association's total expenditures for the tax year		D	534,057.
E Tax-exempt interest received or accrued during the tax year		E	0.

Gross Income (excluding exempt function income)

1 Dividends	1	
2 Taxable interest	2	
3 Gross rents	3	
4 Gross royalties	4	
5 Capital gain net income (attach Schedule D (Form 1120))	5	
6 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6	
7 Other income (excluding exempt function income) (attach statement)	7	
8 Gross income (excluding exempt function income). Add lines 1 through 7	8	0.

Deductions (directly connected to the production of gross income, excluding exempt function income)

9 Salaries and wages	9	
10 Repairs and maintenance	10	
11 Rents	11	
12 Taxes and licenses	12	
13 Interest	13	
14 Depreciation (attach Form 4562)	14	
15 Other deductions (attach statement)	15	
16 Total deductions. Add lines 9 through 15	16	0.
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17	0.
18 Specific deduction of \$100	18	\$100

Tax and Payments

19 Taxable income. Subtract line 18 from line 17	19	-100.			
20 Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	20	0.			
21 Tax credits	21				
22 Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits	22	0.			
23 a 2020 overpayment credited to 2021	23a		c Total ▶	23c	0.
b 2021 estimated tax payments	23b			23d	
d Tax deposited with Form 7004				23e	
e Credit for tax paid on undistributed capital gains (attach Form 2439)				23f	
f Credit for federal tax paid on fuels (attach Form 4136)					
g Add lines 23c through 23f				23g	0.
24 Amount owed. Subtract line 23g from line 22. See instructions	24				
25 Overpayment. Subtract line 22 from line 23g	25				
26 Enter amount of line 25 you want: Credited to 2022 estimated tax ▶ Refunded ▶	26				

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: _____ Date: _____ Title: **PRESIDENT**

May the IRS discuss this return with the preparer shown below? See instr. Yes No

Paid Preparer Use Only	Print/Type preparer's name RONALD H. REYNOLDS	Preparer's signature <i>Ronald H Reynolds</i>	Date 10/17/22	Check if self-employed <input type="checkbox"/>	PTIN P00964479
	Firm's name ▶ REYNOLDS & FRANKE, P.C.	Firm's EIN ▶ 74-2516372			
	Firm's address ▶ 6850 AUSTIN CENTER BLVD., SUITE 100 AUSTIN, TX 78731	Phone no. (512) 206-3141			

FORM 1120-H	EXEMPT FUNCTION INCOME	STATEMENT	1
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DESCRIPTION	AMOUNT
HOA MEMBERSHIP DUES	535,141.
HOA LATE PAYMENT FEES	28,860.
INSURANCE REIMBURSEMENTS	7,526.
WATER UTILITY INCOME	221,675.
RESALE FEES	45,768.
PARK AND REC FEES	16,518.
TOTAL TO FORM 1120-H, ITEM B	855,488.

FORM 1120-H	EXPENDITURES DESCRIBED IN 90% TEST	STATEMENT	2
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DESCRIPTION	AMOUNT
ACCOUNTING FEES	375.
ACQUISITION OF PERSONAL AND REAL PROPERTY	105,000.
CONTRACT LABOR	28,490.
CONTRIBUTIONS	250.
COPIES, POSTAGE, AND FAX	40,155.
DUES AND SUBSCRIPTIONS	275.
INSURANCE	9,573.
INTEREST EXPENSE	16,518.
LANDSCAPING	21,615.
LEGAL FEES	19,520.
MANAGEMENT FEES	257,659.
MISC EXPENSE	16.
PROFESSIONAL FEES	21,766.
RENT EXPENSE	8,400.
SECURITY	2,515.
UTILITIES	1,930.
TOTAL TO FORM 1120-H, ITEM C	534,057.